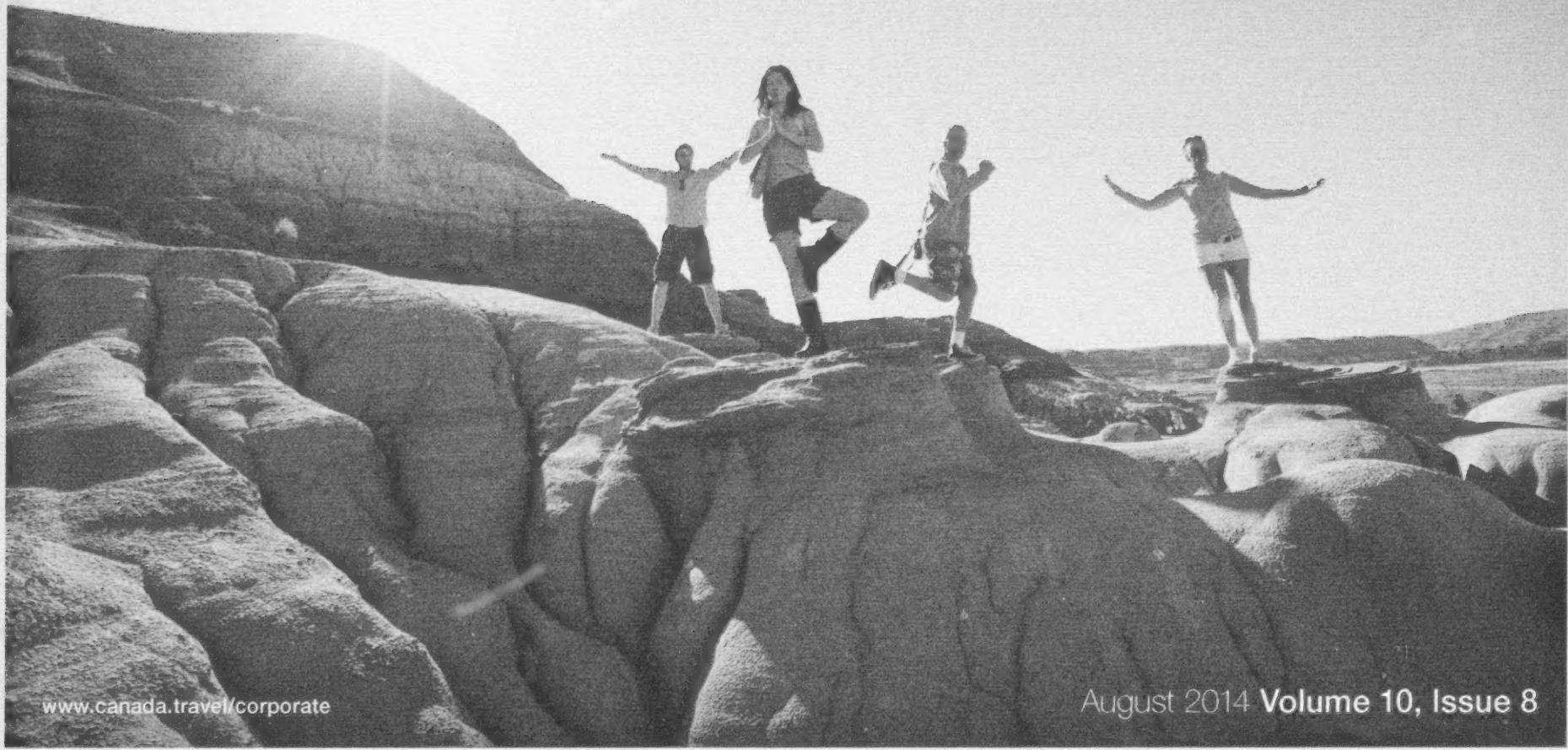


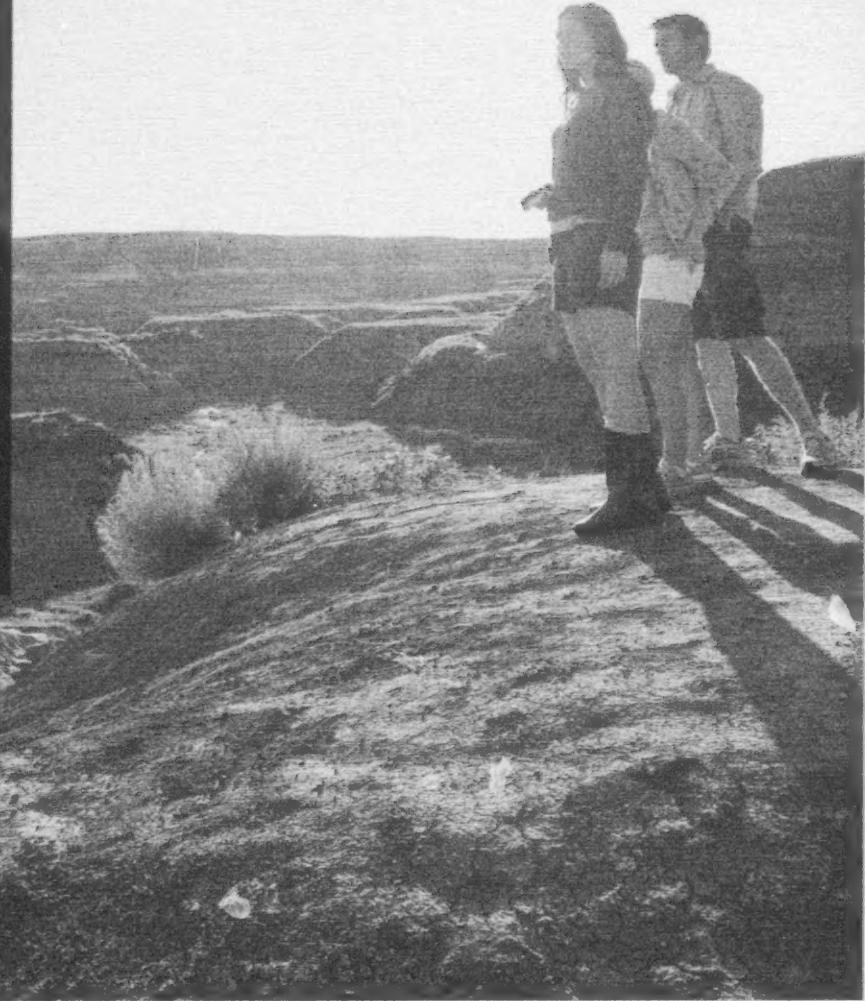
Tourism Snapshot

A focus on the markets in which the CTC and its partners are active



Key highlights

- **Overnight arrivals from CTC overseas markets leaped 13.8% in August 2014 compared to a year earlier, representing a third consecutive month of double-digit growth.**
- **Overnight arrivals expanded in all CTC markets in August 2014. Growth in overnight arrivals was led by CTC Latin America (+28.1%), followed by CTC Asian markets (+21.2%) and CTC Core markets (+8.6%).**
- In August 2014, strong growth was observed across all CTC Asian markets with China leading the charge (+31.2%), closely followed by India (+20.2%), and closing with Japan and South Korea (both at +9.9%).
- On a year-over-year basis, all CTC Core markets expanded in August 2014, led by Germany (+12.3%) and followed by the UK (+8.6%), France (+7.9%) and Australia (+4.3%).
- Latin American overnight arrivals in August 2014 rose significantly, with strong gains registered by both Brazil (+40.6%) and Mexico (+20.9%).
- US air arrivals also had strong growth (+6.4%) but were counterbalanced by contractions in arrivals from automobiles (-0.1%) and other modes of transport (-7.4%). Overall, US overnight arrivals edged up 0.5% in August compared to the same month last year.
- Year-to-date August 2014, overnight arrivals from CTC overseas markets increased 10.2%, supported by gains across all markets in Europe and Australia (+4.7%), Latin America (+10.6%) and Asia (+20.7%).



Tourism review Inbound highlights

Overnight trips to Canada

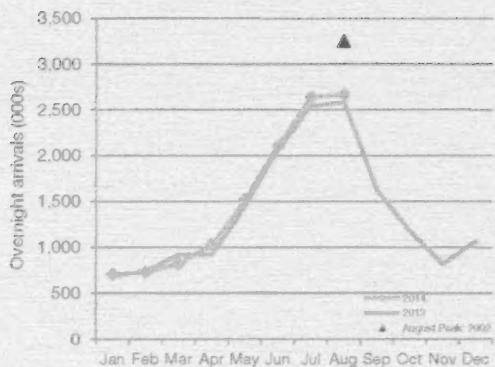
	Aug. 2014	14/13 Aug. % Change	Jan. - Aug. 2014	Year-to-date % Change
United States				
Automobile	1,210,742	-0.1	4,996,218	-1.7
Air	501,857	6.4	2,800,184	7.4
Other	227,878	-7.4	912,426	-8.7
US Total	1,940,477	0.5%	8,708,828	0.2%
Core Markets				
UK	104,116	8.6	469,859	3.9
France	80,441	7.9	335,496	4.8
Germany	58,271	12.3	225,822	5.6
Australia	34,863	-4.3	189,200	5.3
Core Total	277,691	8.6%	1,220,377	4.7%
Asia/Latin America Markets¹				
Japan	35,004	9.9	167,031	12.0
South Korea	17,734	9.9	111,258	10.7
Mexico	21,908	20.9	127,413	13.6
Brazil	14,766	40.6	68,137	5.3
China	74,605	31.2	320,046	30.2
India	21,787	20.2	128,459	20.6
Asia/Latin America Markets Total	185,804	22.5%	922,344	18.4%
Overseas Key Markets	463,495	13.8%	2,142,721	10.2%
Total 11 CTC Markets	2,403,972	2.8%	10,851,549	2.1%
Other Overseas Countries	266,289	10.0%	1,365,472	7.6%
Non-US Countries	729,784	12.3%	3,508,193	9.2%
Total Countries	2,670,261	3.5%	12,217,021	2.7%

Note: Statistics Canada preliminary estimates.

¹ In previous editions, Asia/Latin America Markets were referred to as "Emerging/Transition" Markets. The name was changed to more effectively reflect the reality of these markets.

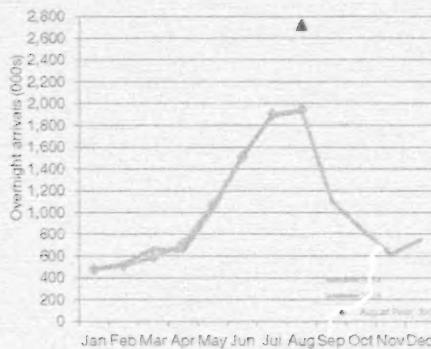
Source: Statistics Canada, International Travel Survey.

International trips



- Canada welcomed 2,670,261 international visitors in August, an increase of 3.5% over August 2013. Of these visitors, 90% were from CTC markets. Year-to-date August 2014, Canada received approximately 12.2 million international visitors, up 2.7% compared to the same period last year.
- The visitor peak on record during the month of August occurred in 2002 with about 3.25 million international visitors to Canada.
- In August, overnight arrivals from CTC's Core markets increased 8.6%, with all four markets showing healthy gains. Year-to-date August 2014, arrivals from Core markets were up 4.7% over the same period last year to 1,220,377.
- In August, arrivals from Asian and Latin American markets grew 22.5%, thanks to double-digit increases from Brazil (+40.6%), China (+31.2%), Mexico (+20.9%) and India (+20.2%). Japan and South Korea also experienced strong growth (both +9.9%). As a result, year-to-date August 2014, arrivals from CTC's markets in Asia and Latin America rose 18.4% over the same period last year to 922,344.

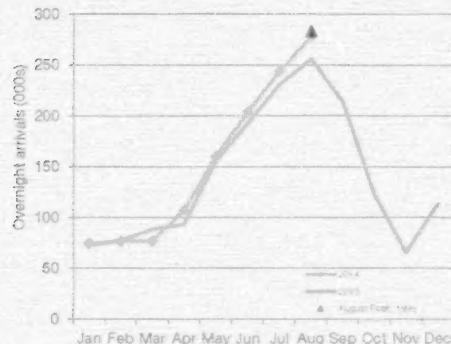
United States



- US air arrivals also had strong growth (+6.4%) but was counterbalanced by contractions in arrivals by automobiles (-0.1%) and other modes of transport (-7.4%). Overall, US overnight arrivals edged up 0.5% in August.
- Year-to-date August 2014, overnight arrivals from the US was relatively flat (+0.2%) compared to the same period last year at 8.7 million.
- The visitor peak on record during the month of August occurred in 2002 with about 2.72 million US visitors to Canada.
- In August 2014, the number of entries by Americans increased in nearly all provinces, with the largest increase in Nova Scotia (+64.0%), followed by PEI (+35.8%), and Newfoundland and Labrador (+20.2%). New Brunswick experienced a 19.7% decline compared to August 2013.

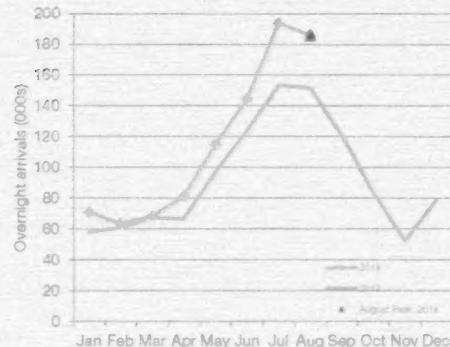
- Year-to-date August 2014, year-over-year gains in US tourists were registered in Nova Scotia (+25.9%), PEI (+17.9%), Newfoundland and Labrador (+12.7), Alberta (+4.5%), Quebec (+3.0%), and BC (+2.6%). The number of entries by Americans declined 24.3% in New Brunswick, 3.2% in Manitoba and 2.6% in Saskatchewan over the same period in 2013.

Core Markets



- All CTC Core markets registered gains in August, with Germany posting the largest increase (+12.3%), followed by the UK (+8.6%), France (+7.9%) and Australia (+4.3%).
- Year-to-date August 2014, overall arrivals from Core markets increased 4.7%, with year-over-year gains from Germany (+5.6%), Australia (+5.3%), France (+4.8%) and the UK (+3.9%).
- In August 2014, Canada welcomed nearly 278,000 visitors from CTC Core markets, which was 2% shy of the visitor's peak for August 1996, which saw about 283,000 visitors.

Asia and Latin America



- The CAN+ visa program implemented in May in Mexico helped to account for the double-digit rise (+20.9%) in visitors from that country in August—the fourth consecutive month of double-digit growth.
- The upswing of arrivals from Japan (+9.9%) in August was partly facilitated by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto.
- In August 2014, China (+31.2%) and India (+20.2%) continued to post strong numbers.
- Brazil posted the largest increase in arrivals to Canada among the Asian and Latin American markets compared to August 2013 (+40.6%) following a decline in July due to the country hosting the FIFA World Cup finals.
- Year-to-date August 2014, overall arrivals from CTC's markets in Asia and Latin America increased 18.4% over 2013. The best performers were China (+30.2%), India (+20.6%), Mexico (+13.6%) and Japan (+12.0%).
- In August 2014, the number of visitors from the six Asian and Latin American markets reached a peak for that month with about 186,000 visitors to Canada, surpassing the previous peak established in 1996 with 159,000 visitors.

Peak Review

Overnight Trips to Canada, Peak by Market - August

Markets	Core Overseas				United States				Asia and Latin America				South Korea 2007	
					United									
	Australia	France	Germany	Kingdom	Total	Air Only	Brazil	China	India	Japan	Mexico			
Previous Peak Year	2013	1997	1995	2007	2002	2004	2013	2013	2013	1996	2008			
Arrivals During Peak Year	33,414	79,211	80,412	121,203	2,718,571	533,600	10,499	56,880	18,132	101,054	31,581			25,631
Current Arrivals (August 2014)	34,863	80,441	58,271	104,116	1,940,477	501,857	14,766	74,605	21,787	35,004	21,908			17,734
Current % of Previous Peak	104.3%	101.6%	72.5%	85.9%	71.4%	94.1%	140.6%	131.2%	120.2%	34.6%	69.4%			69.2%

Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia.

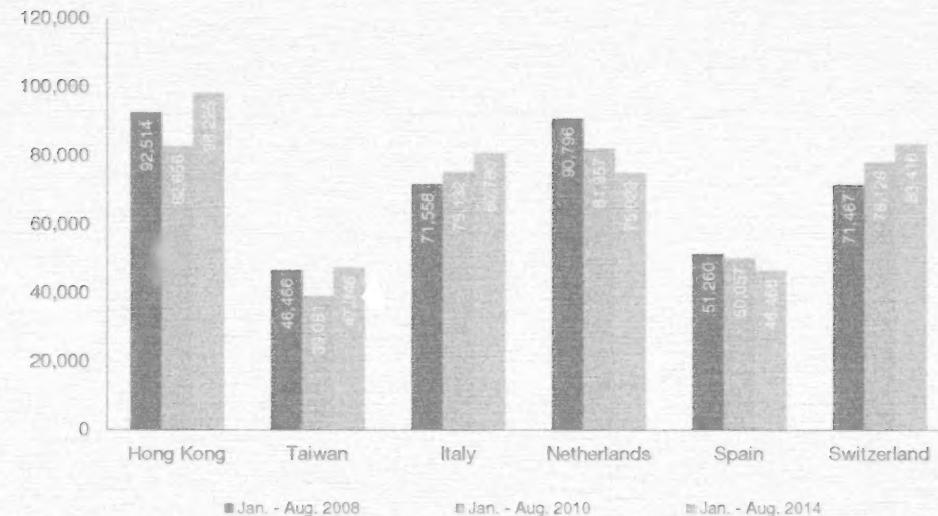
Peak achieved in August 2014.

- In August 2014, five markets—China, India, Brazil, Australia and France—achieved their highest level of overnight arrivals (peak) for the month of August since 1990.
- Arrivals from the UK in August achieved 86% of the peak recorded in 2007.
- Arrivals from Germany, Mexico, the US and South Korea were at about 70% of their respective August peaks since 1990.
- In August 2014, US arrivals by air were at about 94% of the peak recorded in 2004.
- Arrivals from Japan in August were at 35% of the peak recorded in 1996.

Market Watch

- In August 2014, overnight arrivals from secondary European markets were all positive. Italy was the best performer (+38.4%), followed by Spain (+29.3%), the Netherlands (+14.9%) and Switzerland (+6.7%).
- Year-to-date August 2014, overnight arrivals from secondary European markets grew, led by Italy (+21.5%), and followed by Spain (+19.1%), Switzerland (+5.6%) and the Netherlands (+5.5%).
- Arrivals from Taiwan (-0.7%) and Hong Kong (0.0%) were relatively flat in August 2014.
- During the first eight months in 2014, both Taiwan (+9.2%) and Hong Kong (+4.0%) saw gains in arrivals compared to the same period in 2013.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Aug. 2014	14/13 Aug. % Change	Jan. - Aug. 2014	Year-to-date % Change
Italy	25,440	38.4	80,780	21.5
Netherlands	14,877	14.9	75,029	5.5
Spain	12,628	29.3	46,466	19.1
Switzerland	16,560	6.7	83,416	5.6
Hong Kong	14,490	--	98,225	4.0
Taiwan	7,045	-0.7	47,346	9.2

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Competitive review (January - August 2014)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		14/13 Change		14/13 Change
Total International ¹	6,308	8.4	4,356	8.9
United States (Air Only) ²	2,800	7.4	351	10.7
Canada	86	9.3
Core Markets				
United Kingdom	470	3.9	391	2.4
France	335	4.8	74	8.8
Germany	226	5.6	112	12.4
Australia	189	5.3
Asia/Latin America Markets				
Japan	167	12.0	214	2.8
South Korea	111	10.7	131	2.4
Mexico	127	13.6
Brazil	68	5.3	27	26.5
China	320	30.2	579	15.1
India	128	20.6	126	19.3
Total Key Markets ³	4,943	8.6	2,092	9.4

.. Not applicable, or data not available.

Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia.

** US visitation data was not available due to a delay of the change of entry process for US visitors.

The total international figure includes total arrivals from overseas countries and United States arrivals by air only.

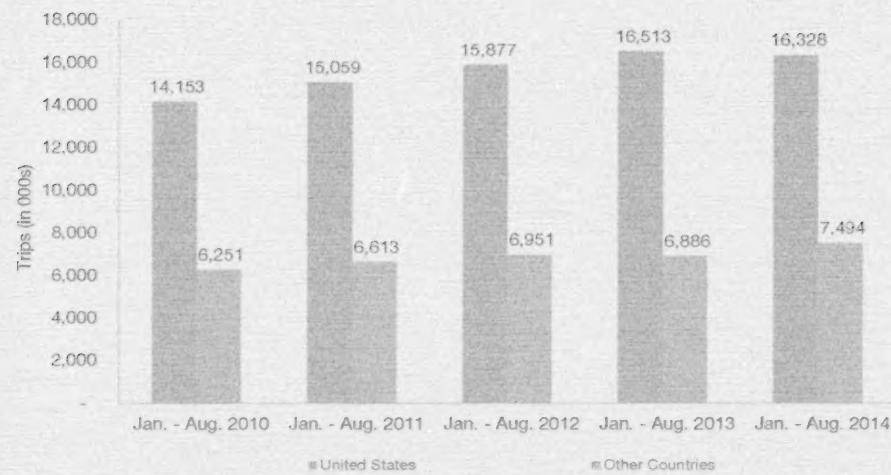
The United States figure is for arrivals by air only.

³ The figure includes total arrivals for the 10 key overseas markets and the United States arrivals by air only.

- Year-to-date August 2014, Australia continued to register a large increase in total international arrivals (+8.9%), a growth rate slightly higher than that registered in Canada (+8.4%) over 2013.
- Australia posted strong growth in arrivals from North America, up 10.7% from the US and 9.3% from Canada. In comparison, US arrivals by air to Canada increased 7.4% during the same period.
- Year-to-date August 2014, Australia registered larger gains in arrivals from Germany and France than Canada, although the actual number of visitors from these two countries to Canada were much larger than to Australia.
- Year-to-date August 2014, Canada posted larger increases in arrivals from South Korea (+10.7%) and Japan (+12.0%) compared to much smaller gains reported by Australia.
- Year-to-date August 2014, both Australia and Canada welcomed more Chinese travellers compared to same period in 2013. While Canada registered larger growth than Australia in arrivals, Australia has already welcomed nearly twice as many Chinese travellers than Canada.
- India was a growing market for both Australia and Canada in the first eight months of 2014 at 19.3% and 20.6% respectively compared to the same period last year. Canada welcomed a slightly larger number of Indian visitors (128,000) than Australia (126,000).
- While Brazil was Australia's fastest-growing market (+26.5%), Canada saw a 5.3% increase in the number of Brazilian arrivals during the first eight months of 2014. However, Canada welcomed more than twice as many Brazilian visitors than Australia.

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips by Canadians

	Aug. 2014	14/13 Aug. % Change	Jan. - Aug. 2014	Year-to-date % Change
United States	3,028,034	0.3	16,328,217	-1.1
Other Countries	951,237	12.6	7,493,959	8.8
Total Trips from Canada	3,979,271	3.0	23,822,176	1.8

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, *International Travel Survey*.

- In August 2014, Canadian outbound travel increased 3.0% over the same month last year to 3,979,271 trips.
- While the number of Canadians visiting the US during the month of August increased slightly (+0.3%) to 3.0 million trips, Canadian overnight travel to overseas destinations (excluding the US) rose 12.6% to 951,237 trips.
- Year-to-date August 2014, overall outbound trips by Canadians grew 1.8% to 23.8 million trips, while trips to the US decreased slightly (-1.1%) and trips to overseas destinations increased (+8.8%).
- In August 2014, most Canadians re-entered the country from the US through Ontario (1,226,848 entries, +0.6%), Quebec (662,562 entries, -0.4%), and BC (655,032 entries, -1.0%).
- In August 2014, the top three re-entry points for Canadians returning from overseas countries were Ontario, Quebec and BC. All three provinces recorded gains in numbers of re-entry, up 16.6%, 8.9% and 6.4% respectively.

Consumer outlook

Consumer confidence

- **Canada:** After three consecutive months of decline, the national index returned to positive territory in August, rising 2.5 points to 88.4 (2002 = 100). Consumers were more optimistic about their financial situation and more willing to make a major purchase in August than in previous months.
- **USA:** The Conference Board Consumer Confidence Index®, which had increased in July, improved again in August. The Index stood at 93.4 (1985=100) in August, up from 90.3 in July.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In August 2014, the National Occupancy Rate recorded an increase of 3.1 points to 80.1%. Manitoba registered the largest increase (+6.3 points), followed by Quebec (+5.4 points) and Ontario (+4.1 points).
- Year-to-date August 2014, the National Occupancy Rate rose slightly (+1.7 points to 65.1%) compared with the previous year. British Columbia (+3.1 points), Quebec (+2.7 points), and PEI (+2.5 points) saw the largest gains in occupancy.
- Year-to-date August 2014, the National Average Daily Rate improved to \$137.25, up 3.7% compared with the same period in 2013. Northwest Territories, Alberta, BC, Quebec, and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- Year-to-date August 2014, the National Average Revenue per Available Room (RevPAR) was \$89.28 (+6.5%), with BC (+10.1%, \$94.18) posting the largest growth, followed by PEI (+8.9%, \$65.44) and Quebec (+8.3%, \$95.42).

Canadian Occupancy Rates, By Province*

	Aug. 2014	14/13 Change^	Jan. - Aug. 2014	Year-to-date Change^
Alberta ¹	75.0	1.5	68.3	0.5
British Columbia	86.2	3.1	66.0	3.1
Saskatchewan	67.0	-4.1	64.0	-3.9
Manitoba	69.8	6.3	61.1	-0.5
Ontario	78.6	4.1	64.4	2.1
Quebec	85.9	5.4	66.0	2.7
New Brunswick	79.7	1.2	57.2	0.6
Nova Scotia	81.0	2.6	61.0	1.5
Newfoundland	88.7	-1.0	66.3	-5.7
Prince Edward Island	83.7	-0.1	51.8	2.5
Northwest Territories	59.4	-20.8	67.3	-2.5
Yukon	86.5	1.2	68.0	-0.2
Canada	80.1	3.1	65.1	1.7

* Note: Based on the operating results of 223,328 rooms (unweighted data).

^ Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.